

Agricultural Export Forecast Remains
Unchanged at \$57 Billion
Imports Remain at \$43 Billion

FY 2003 Export Projections for Ag, Fishery & Solid Wood Products

USDA's "Outlook for U.S. Agricultural Trade"
was released on February 20, 2003

Prepared by Foreign Agricultural Service/USDA

U.S. Agricultural Trade

FY 2003 exports forecast at \$57 billion; surplus at \$14 billion.
Corn, soybeans, wheat & meats drive most of the growth in 2003.



Commodity & Country Export Forecasts

Key Changes Since November and Main Reasons

\$ Billions	Final FY 2002	Nov FY '03 Proj.	Feb FY '03 For.	Nov/Feb Chg	Main Reasons
Wheat & Flour	3.605	4.2	3.9	-0.3	(-) price/vol – more competition
Corn	4.581	6.1	5.5	-0.6	(-) vol/price – more competition
Soybeans	5.468	5.7	6.0	+0.3	(+) volume – demand from China

Key 2003 Country Forecasts (changes from 2002)

- Mexico +\$800 million to \$7.9 billion
- Canada +\$500 million to \$9.1 billion
- Japan +\$500 million to \$8.8 billion
- ...Western Hemisphere at \$21.7 billion (\$800 million more than Asia)

Export Outlook for Grain & Feed Products

Revised FY 2003 Forecast:  \$500 Million to \$16.1 Billion

Revised FY 2003 Forecasts

Key Upside Developments

- Large rice crop & low prices push US export volume to record 3.8 mmt

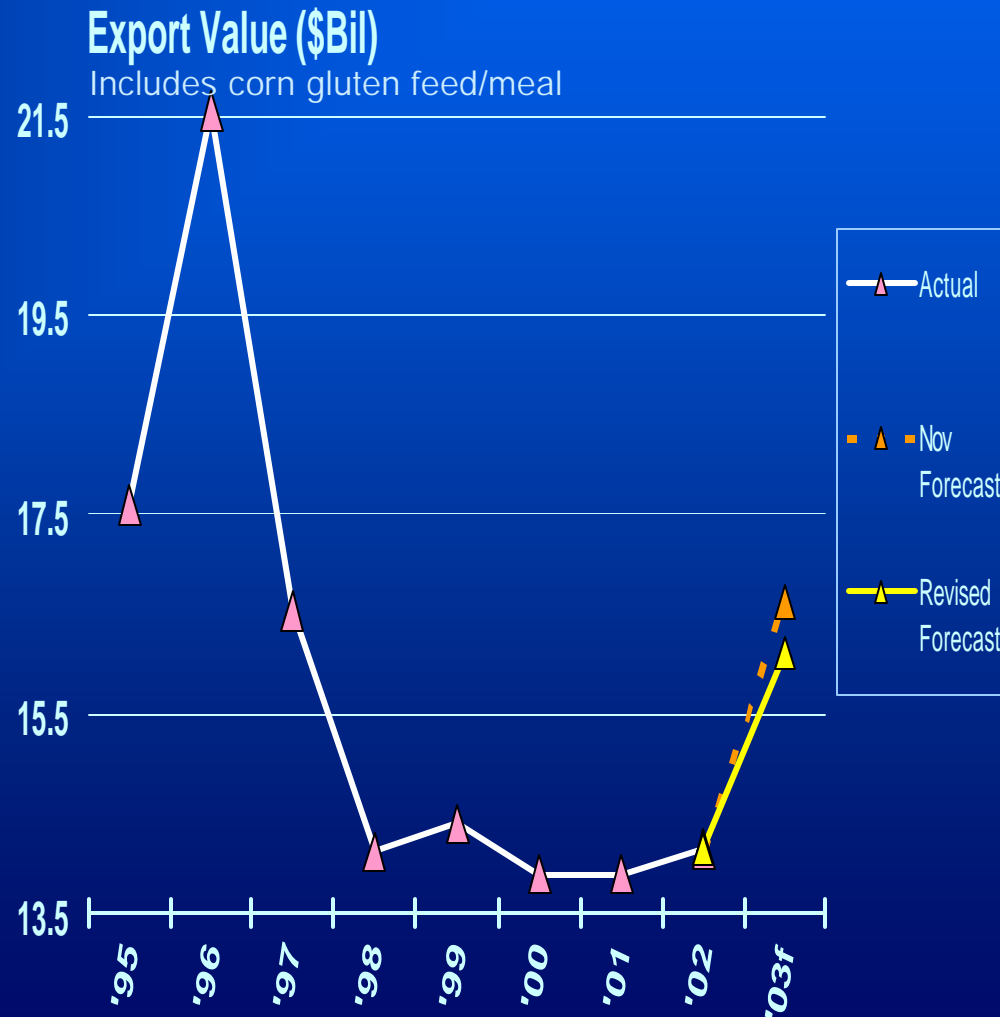
Key Downside Developments

- Wheat export vol & unit value lowered due to competition from Black Sea region and EU export subsidies

- US corn & sorghum shipments lowered 4.2 mmt due to strong competition from China, better prospects for S American crops, large feed-quality wheat supply

Wild Cards

- China & Argentina corn exports



Export Outlook for Oilseeds & Products

Revised FY 2003 Forecast:  \$400 Million to \$10 Billion

Revised FY 2003 Forecasts

Key Upside Developments

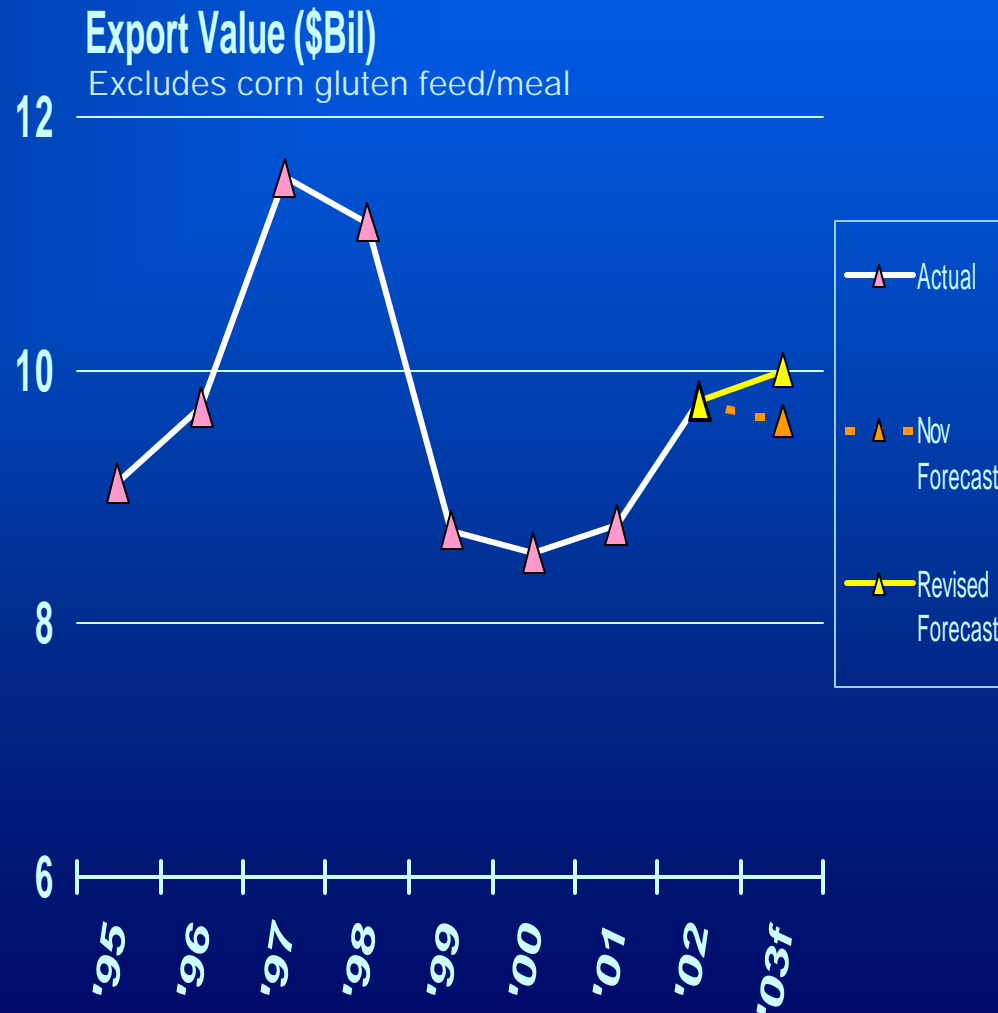
- Soybean sales to China are stronger than expected
- U.S. soybean export availability improves as production estimate rises 1.0 million tons since Nov

Key Downside Developments

- Larger S. American soybean supplies erode U.S. sales
- Oilseed prices soften as soybean supplies grow

Wild Card

- Outcome of U.S.-Brazilian competition over China market



Export Outlook for Cotton & Linters

Revised FY 2003 Forecast: Unchanged at \$2.6 Billion

Revised FY 2003 Forecasts

Key Upside Developments

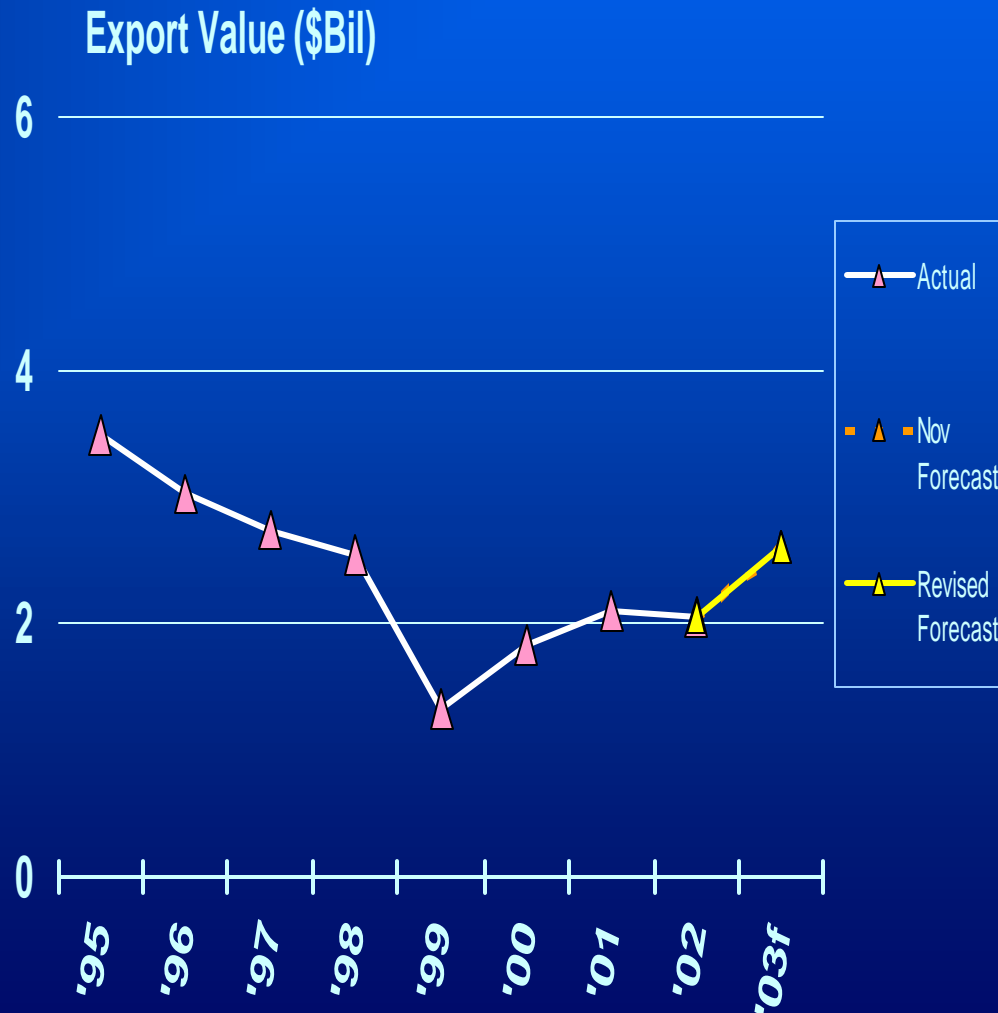
- Continued strong demand in China

Key Downside Developments

- Lower import demand in South Asia

Wild Cards

- Size of China crop next year.



Note: FY '02 and prior years based on U.S Census data; FY '03 forecast based on USDA WASDE MY forecast.

Export Outlook for Dairy, Livestock & Poultry

Revised FY 2003 Forecast: Unchanged at \$12.4 Billion

Revised FY 2003 Forecasts

Key Upside Developments

- Beef exports to East Asia (other than Japan) remain strong

Key Downside Developments

- Japan's safeguard on beef and pork imports
- Mexico's dumping investigation on U.S. pork

Wild Cards

- U.S. poultry plants must be re-inspected & approved by June 1 to fill Russia's import quota
- Outbreak of Exotic New Castle Disease in the United States & U.S. containment efforts



Export Outlook for Horticultural Products

Revised FY 2003 Forecast: Unchanged at \$11.3 Billion

Revised FY 2003 Forecasts

Key Upside Developments

- Modest economic growth & somewhat weaker dollar support sales to EU & Canada; Mexico's economic growth exceeds 3%

Key Downside Developments

- Smaller U.S. apple & pear crop
- Market access uncertainty for apples to Taiwan & Mexico
- Reduced U.S. fruit juice supply

Wild Cards

- Record almond crop depresses prices, but sales volume should rise leaving overall export value uncertain



Export Outlook for Fishery Products

Revised FY 2003 Forecast: Unchanged at \$3.1 Billion

Revised FY 2003 Forecasts

Key Upside Developments

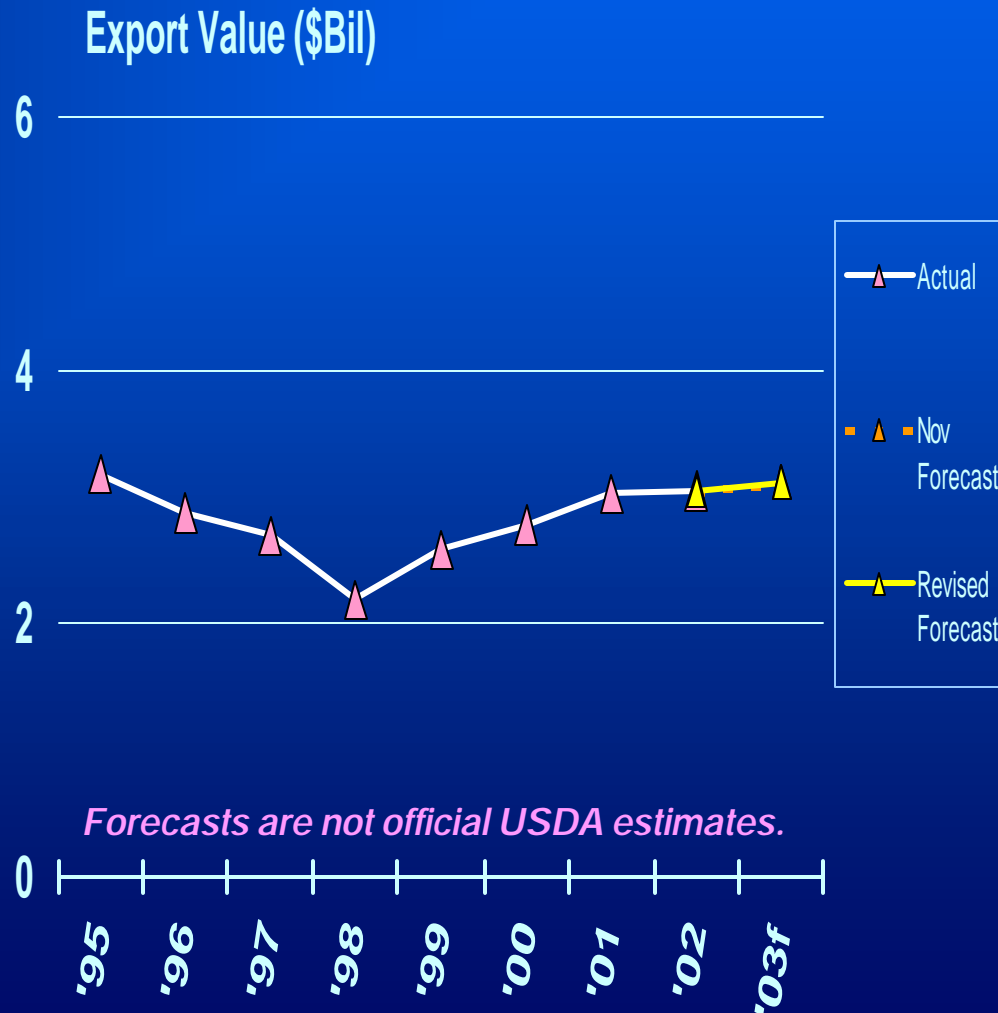
- Pollock fillets & other white fish should continue to do well in the EU market
- The 2003 Alaska salmon harvest is projected to rise 16% over 2002 with sockeye salmon projected to increase 35%

Key Downside Developments

- Prices remain down for catfish, pollock roe, shrimp & other prods

Wild Cards

- Uncertainty of U.S. harvest for pollock, salmon & other species



Export Outlook for Solid Wood Products

Revised FY 2003 Forecast: Unchanged at \$4.8 Billion

Revised FY 2003 Forecasts

Key Upside Developments

- China's growing furniture & interiors market leads to increased demand for U.S. hardwoods & softwoods
- China's revised building codes allow wood frame construction

Key Downside Developments

- U.S. softwood logs & lumber shipped to Japan keep losing market share to Scandinavia & Russia

Wild Cards

- Illegal logging initiatives
- U.S. housing starts

